

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SUPPLEMENTAL REPORT*

FOR THE YEAR ENDED  
DECEMBER 31, 2018



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARepor@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Westerville School District Library  
126 South State Street  
Westerville, Ohio 43081

We have reviewed the *Independent Auditor's Report* of the Westerville School District Library, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Westerville School District Library is responsible for compliance with these laws and regulations

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

June 25, 2019

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**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Westerville School District Library  
Franklin County  
126 South State Street  
Westerville, Ohio 43081

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville School District Library, Franklin County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Westerville School District Library's basic financial statements and have issued our report thereon dated May 21, 2019, wherein we noted as discussed in Note 3, the Westerville School District Library adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Westerville School District Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Westerville School District Library's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Westerville School District Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Westerville School District Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Westerville School District Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Westerville School District Library's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
May 21, 2019



# Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2018



Westerville  
Public Library

Prepared by the Office of Dan Griscom, Fiscal Officer

126 S. State St. Westerville, Ohio 43081 | 614-882-7277 | [westervillelibrary.org](http://westervillelibrary.org)



**WESTERVILLE  
PUBLIC LIBRARY**

FRANKLIN COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2018

PREPARED BY THE OFFICE OF:

*DAN GRISCOM,  
FISCAL OFFICER*

*126 S. STATE STREET  
WESTERVILLE, OHIO 43081*



# **INTRODUCTORY SECTION**



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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# Westerville Public Library

May 21, 2019

Citizens who reside in the Westerville City School District  
Members of the Westerville School District Library Board of Trustees

The Comprehensive Annual Financial Report (CAFR) of the Westerville School District Library (the Library), also commonly referred to as the “Westerville Public Library,” is hereby presented. This CAFR, for the calendar year ended December 31, 2018, has been prepared using generally accepted accounting principles (GAAP) for governments. It contains financial and statistical data that provide complete and full disclosure of all material aspects of the Library.

Ohio law requires that public offices reporting pursuant to generally accepted accounting principles shall file their reports with the Auditor of the State of Ohio and publish notice of the availability of the financial statements within 150 days of the close of the year. This report is published to fulfill that requirement for the calendar year ended December 31, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ohio law requires independent audits to be performed on all financial operations of the Library either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Julian and Grube, Inc., performed the audit for the year ended December 31, 2018. The Independent Auditor’s Report on the basic financial statements is included in the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview, analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

The Library is located in Westerville, and the service area includes Westerville, parts of Columbus, northeast Franklin County and southern Delaware County.

The Library is organized under Ohio State law as a school district public library. A seven-member Board of Trustees governs the Library. Board members hold positions as educators, accountants, independent business owners, attorneys and a variety of other occupations. They come together to apply their knowledge and experience and offer insights to provide management guidance and oversight to the Library.

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14 “The Financial Reporting Entity”, GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14”, and GASB Statement No. 61 “Omnibus-an amendment of GASB Statements No. 14 and No. 34”, the Library is considered to be a related organization of the Westerville City School District.

The Executive Director is responsible for the administration of the Library, and the Fiscal Officer oversees the Library’s financial affairs. The Board of Trustees has appointed Erin Francoeur to serve as Executive Director and Dan Griscom to serve as Fiscal Officer.

The Taxing Authority for the Library is the Westerville City School District Board of Education, but the Library operates under a separate budget with funds derived primarily from the Public Library Fund and a 2.0-mill property tax levy. The Library is fiscally independent of the Westerville City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The Board of Trustees independently determines whether to request approval of a tax levy and the role and purpose(s) of the levy. If a request is approved, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit or to impose a financial burden on the Board of Education.

## **HISTORY OF THE WESTERVILLE PUBLIC LIBRARY**

In 1930, after a P.T.A. committee recommended the establishment of a public library, the Westerville City Schools Board passed a resolution creating the Westerville Public Library. At the second Library board meeting in August 1930, the Anti-Saloon League, whose headquarters were in Westerville, offered the first floor of the former home of one of their leaders to house the Library. This offer was accepted and on December 15, 1930, the doors to the Westerville Public Library were opened in the former Rev. Purley Baker residence at the corner of Park and Grove Streets. Within two weeks the Library had circulated 809 books and had 885 registered borrowers. This trajectory of growth in service has defined the role of the Library in the community throughout its existence.

By 1933, the Library was outgrowing its first home. The town of Westerville was in the process of remodeling a private home on State Street to house the municipal offices and offered the second floor of this expanded dwelling to the Library. The years while the Library was housed at this location were a period of great activity both in circulation of materials and programming for all ages. Educational programming for youth was a special focus for the Library and early in its history it began story hours for children, a summer reading program and school tours and visits to the Library. A high school “annex” was operated in the school across the street (today Hanby Elementary) in a room supplied with required and recreational reading. However, by 1950, much of the successful programming of the Library had to be curtailed due to lack of space and 6,000 books were stored offsite at the Masonic Temple.

The Westerville voters responded to the call for expanded quarters to resolve this deficiency in space. In November 1947, 73.8% of the votes were cast in favor of a three-mill levy for five years to pay for a new library building. Land was donated on South State Street by the Anti-Saloon League; a new building was erected and dedicated March 1955. In the following decades, new services were added including a bookmobile, photograph collection, film collection, and increased meeting room space.

In 1973, the sole trustee of the Anti-Saloon League donated their old headquarters building to the Library. This structure, located just to the north of the Library, was filled with books and papers which made up an extensive collection of temperance material. The acquisition of this building provided the Library with an opportunity to grow. In 1979, a levy passed, and 17,820 square feet of space was added to the Library and the two buildings were connected in the process.

From the 1980s until today, the Library has been in the forefront of adopting new technologies to better serve the community. This began when the Library’s catalogue moved online to replace the card-filled boxes and computers were provided for the public to search for materials. As growth in use and users continued, the Library turned to several other new technologies in the early 1990s to alleviate the problems associated with a rapidly expanding population. Westerville customers became the first in the state to use self-check-out machines. The Library was the first in Ohio to offer full internet access to patrons via the World Wide Web. The Library partnered with several businesses to develop a revolutionary new product called “The Library Channel.” This new internet interface made it possible for librarians to select reliable and valuable websites and load them into “cyber” shelves that were made instantly available to Library customers. Three hundred libraries across the country purchased this product. In 1999, more services were added which aided the Library in serving the community. Customers could view their library accounts via the internet. They also could reserve materials online and pick them up at the Library. Because of the Westerville Public Library’s commitment to creating better customer service through innovative means, in 1999, it was recognized as the top-ranked library among all in the nation serving populations between 50,000 and 99,000.

As the Library was continuing to make great strides in innovative technology to serve customers, the building was becoming more cramped with bookshelves overflowing and seating capacity for only 60 people. On May 2, 1995, voters responded with 63% voting for an expansion project to add 27,000 square feet. Features of this addition were a gift shop run by the Friends of the Library and the convenience of a drive-up window for picking up reserves. As demand for library services grew, funding was shrinking. To remedy this the citizens of Westerville said “yes” to an operating levy in 2002. The media department was enlarged, a computer area for children was provided, and a new teen area was created. In 2004, more renovations and expansions were undertaken. Library Link which provided daily deliveries to every school in the district began. The youth area was increased and the administration department which had been housed in the old Anti-Saloon League building since it was donated to the Library was moved to a newly created space which allowed the local history collections to expand into the space vacated by that move. In 2007, a replacement levy on the ballot passed by a 78% margin signaling the approval of the public for the services provided by the Library. This levy was then replaced with a continuing levy which passed on November 8, 2011.

The Library is consistently ranked among the best libraries in the nation. The leadership of five directors through its years of existence led to the Library’s reputation of being one of the most beloved institutions in the community. From Cora Bailey, the first librarian and director, to current director, Erin Francoeur, who began serving in June of 2017, the philosophy of the director, staff and board of the Westerville Public Library has been to foresee the needs of the citizens of the community and meet them with innovative technologies and enhancements using cost-effective methods.

### **COMMUNITY OUTLOOK**

The City of Westerville is located in the northeast corner of Ohio’s fastest growing region. Westerville is a vital city of approximately 37,000 residents, a leader in job creation, and is located just 10 miles from the airport and the state capital of Columbus. Westerville has immediate access to I-71 and I-270. Westerville has grown throughout the years to become central Ohio’s largest suburb, yet has managed to maintain a small-town feel while preserving its physical and cultural past. Residents consider Westerville’s charm and its historic Uptown District to be among their favorite community attributes. Money Magazine has twice recognized Westerville as one of America’s “Best Places to Live.”

Westerville land use is approximately 65 percent residential and 35 percent industrial or commercial. The city provides more city services than any other central Ohio suburb: full-time police, full-time firefighters, electric and water divisions, a community recreation center, and a data center. Westerville City School District’s estimated population is 96,383 and is comprised of 23 school buildings serving approximately 15,000 students.

### **ECONOMIC CONDITION AND OUTLOOK**

The operational revenue is based on two major sources of funds, the Public Library Fund (PLF) and local property tax levies. The PLF is an amount which the State of Ohio appropriates in their biennium budget to support libraries throughout Ohio. For the current biennium, fiscal years 2018 and 2019, this appropriation is based on 1.68% of the total tax revenue collected to the state’s General Revenue Fund (GRF). Each county receives a portion of this allocation which is further allocated to the libraries in the county.

The second source of funding for the Library is through a property tax levy passed by the residents of the Westerville City School District. A five-year levy for .80 mills for current expenses was passed on November 5, 2002, and it was replaced with a five-year levy for .80 mills which passed on November 6, 2007. This levy was then replaced with a continuing levy for 2.00 mills which passed on November 8, 2011.

The Library’s current economic outlook is stable based on the combination of the PLF revenues and the continuing property tax levy, and the careful monitoring of expenditures.

## FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

All budgetary policies are established by Ohio law and/or the Board of Trustees. All funds have annual appropriations approved by the Board of Trustees. The budget process is as follows:

- A temporary appropriation budget is adopted and filed with the Franklin County Budget Commission by January 1.
- An annual appropriation budget is adopted and filed with the Franklin County Budget Commission by March 31.
- The level at which the Board of Trustees approves the budget becomes the legal level of control.
- Transfers of appropriations at this level require approval by the Board of Trustees.
- The annual appropriations may be amended or supplemented, based on needs during the year.
- The Franklin County Budget Commission provides an annual certificate of estimated resources. The Library's maximum annual appropriations are controlled by this document. The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer.
- Policies on fines, fees and charges are established by the Board of Trustees.
- Library cash is pooled for investment.

The Board of Trustees receives a monthly update from the Fiscal Officer and copies of financial statements so that they are kept current on the financial condition of the Library.

The Finance and Facilities Committee serves an advisory role and makes recommendations to the Westerville Public Library Board of Trustees. Committee actions are subject to approval by a majority of the Board of Trustees. In general, the Committee works in conjunction with the Library's Fiscal Officer and Executive Director.

The responsibilities of the Finance and Facilities Committee includes but is not limited to overseeing and reviewing the budget, reviewing Library audits; performing cost analyses on proposals submitted by the Executive Director and making recommendations to the Board on these proposals. The Committee also reviews projects and services as they relate to Library facilities and provides recommendations to the Board. The Finance and Facilities Committee meets as necessary, but not less often than quarterly.

The Fiscal Officer, with guidance and input from the Finance and Facilities Committee, has developed a ten-year capital budget and financial projection for the Library. This ten-year budget will be updated annually and will assist the Board in long-term financial planning.

## MAJOR INITIATIVES

### Current

Thanks to the kindness, passion, and energy of our vibrant community, the Westerville Public Library **celebrated many successes and overcame significant challenges** in 2018.

On an average day, the Library welcomed 1,402 visitors who borrowed 5,237 items. Throughout the year, almost 2 million items were borrowed, over 2,000 events were offered, and 7,300 meetings were held.

In addition, the Library delivered almost 110,000 items to 117 different locations around town, helped 1,300 students with their homework, and mailed 25,000 books to kids signed up for Dolly Parton's Imagination Library.

Throughout 2018, the Westerville Public Library staff and Board of Trustees committed to developing a plan that will ensure the Library remains relevant in the everyday lives of the people we serve. Through surveys, interviews and demographic studies, we were able to shed light on our community's wants and needs. This process led to the creation of a **strategic plan for 2019-2021** that includes three strategic areas of focus: *1. Expand access for all. 2. Tell the library's story. 3. Optimize the library's assets.*

To encourage reading throughout the summer, the Westerville Public Library **distributed over 6,000 free books** to elementary school students.

In October, the Library was transformed into a wizarding wonderland and welcomed over 2,300 visitors to the **Wizards & Wands Festival**.

And the popular **Meet the Authors series** continued with record turnout for headliners Ernest Cline (*Ready Player One*), Angie Thomas (*The Hate U Give*), and Alexander McCall Smith (*The No. 1 Ladies Detective Agency* series).

The Library embarked on many new initiatives, such as extended hours during Uptown Westerville's 4th Fridays, a new **seed library**, and the launch of a popular fiction collection at Otterbein University's Courtright Memorial Library. Featured events included Career Week, a How-To Festival, and **guest storytimes** featuring community members such as a child entrepreneur, tattoo artist, and drag queen.

With your support and patience, we completed numerous **renovation projects** - including new flooring, paint, and furniture, and the installation of an **interactive treehouse** in the children's area. We also recovered quickly from an **unexpected water leak** in March that required building repairs and the replacement of over 5,000 books. And in February, we shared in Westerville's grief over the loss of Officers Joering and Morelli. Officer Morelli worked special duty at the Library for over 20 years. For their service to the Library and our community, we will always be grateful.

## **Future**

In 2019, we look forward to addressing three **strategic areas of focus** where we believe your library can have the greatest impact on your life: 1. *Expand access for all.* 2. *Tell the library's story.* 3. *Optimize the library's assets.*

Key results will include an **Innovation Lab** with a recording studio, augmented reality and virtual reality tools, and large-format printing capabilities. To increase access for all, **automatic renewal** will give you more peace of mind and more time with your library materials.

This year marks the 100th anniversary of the ratification of the 18th amendment. Numerous events and walking tours will **shine a light on Westerville's connection to the Prohibition era**.

We look forward to the year ahead, creating a curious and compassionate community ready to meet life's challenges.

## **AWARDS**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Westerville Public Library for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

## ACKNOWLEDGEMENTS

Appreciation is extended to the Board of Trustees of Westerville Public Library and Executive Director Erin Francoeur, Assistant Director Kristin Michel, and Deputy Fiscal Officer Sherry Peterson. Contributions of information from the following individuals were vital in preparing this transmittal letter: Marketing Manager Tamara Murray, former Manager of Local History Beth Weinhardt, and Administrative Assistant Darlene Lawson. Special acknowledgement is extended to Julian & Grube, Inc. for their guidance in the preparation of this report.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Dan Griscom". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Dan Griscom  
Fiscal Officer





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Westerville Public Library  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

**WESTERVILLE PUBLIC LIBRARY**

*LIST OF PRINCIPAL OFFICIALS*

*DECEMBER 31, 2018*

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**BOARD OF TRUSTEES**

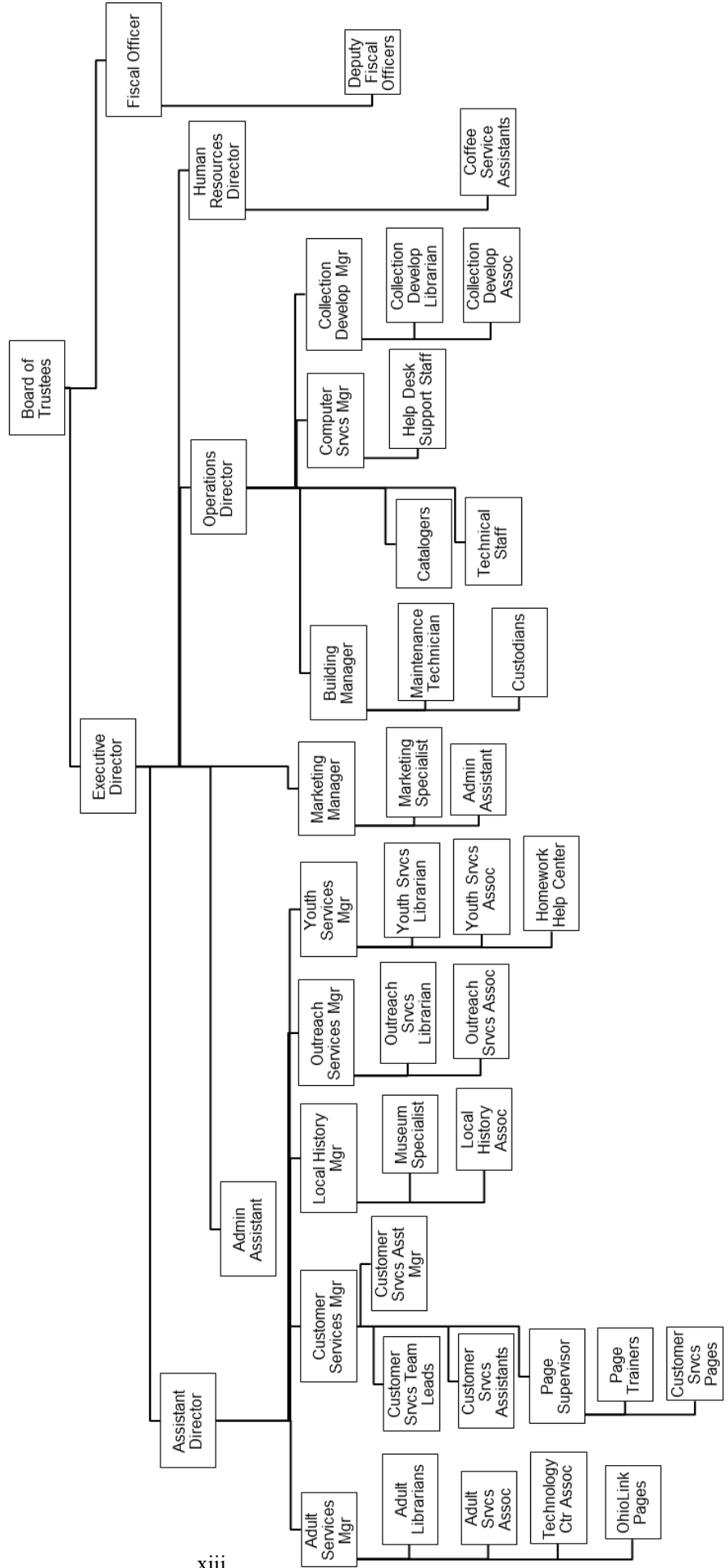
President	John B. Shinnock
Vice President	Shawn Smith
Secretary	Heather Creed
Member	Melissa Hodek
Member	Mary Lightbody
Member	Deanna McDaniel
Member	Julie Mujic

**ADMINISTRATION**

Executive Director	Erin Francoeur
Assistant Director	Kristin Michel
Fiscal Officer	Dan Griscom
Human Resources Director	Katrina Plourde
Operations Director	Steven Owley



# Westerville Public Library Organizational Chart



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# **FINANCIAL SECTION**





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Westerville School District Library  
Franklin County  
126 South State Street  
Westerville, Ohio 43081

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville School District Library, Franklin County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Westerville School District Library's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Westerville School District Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Westerville School District Library's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville School District Library, Franklin County, Ohio, as of December 31, 2018, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2018, the Westerville School District Library adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on the Westerville School District Library's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2019, on our consideration of the Westerville School District Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Westerville School District Library's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
May 21, 2019

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**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)*

The management's discussion and analysis of the Westerville School District Library's (the "Library") financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the Library's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Library's financial performance.

**Financial Highlights**

Key financial highlights for 2018 are as follows:

- Net position of the Library increased \$195,868 or 4.44% from 2017's restated net position (see Note 3 in the notes to the basic financial statements for detail).
- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of the year by \$4,607,537 (net position). Of this amount, \$1,028,048 represents unrestricted net position, which may be used to meet the Library's ongoing obligations to citizens.
- General revenues accounted for \$7,921,082 or 96.23% of total governmental activities revenue. Program specific revenues accounted for \$310,363 or 3.77% of total governmental activities revenue.
- The Library had \$8,035,577 in expenses related to governmental activities.
- At year-end, the Library's governmental funds reported combined fund balances of \$5,760,472, an increase of \$647,217 or 12.66% from the prior year.

**Using this Comprehensive Annual Financial Report**

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Library as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the Library as a whole, presenting both an aggregate view of the Library's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column.

**Reporting the Library as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the Library to provide programs and activities, the view of the Library as a whole looks at all financial transactions and asks the question, "How did the Library perform financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
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These two statements report the Library's net position and changes in net position. This change in net position is important because it tells the reader that, for the Library as a whole, the financial position of the Library has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Library's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Library reports only governmental activities. Governmental activities are the activities where all of the Library's programs and services are reported. The Library does not have any business-type activities.

**Reporting the Library's Most Significant Funds**

***Fund Financial Statements***

Fund financial statements provide detailed information about the Library's major funds - not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are classified as governmental and fiduciary.

***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains a multitude of individual governmental funds. The Library has segregated these funds into major funds and nonmajor funds. The Library's major governmental funds are the general fund and the building and repair fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Library. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Library's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. An agency fund is the Library's only fiduciary fund type.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)*

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's net pension liability, pension contributions, net other postemployment benefits (OPEB) liability, and OPEB contributions.

**Government-Wide Financial Analysis**

The statement of net position serves as a useful indicator of a government's financial position. The table below provides a summary of the Library's net position for 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3 of the notes to the basic financial statements.

	<b>Net Position</b>	
	<u>2018</u>	<u>(Restated) 2017</u>
<u>Assets</u>		
Current assets	\$ 12,010,253	\$ 11,222,737
Long-term assets		
Capital assets, net	3,596,414	3,603,180
Net pension asset	<u>16,159</u>	<u>8,391</u>
Total assets	<u>15,622,826</u>	<u>14,834,308</u>
<u>Deferred outflows of resources</u>		
Pension and OPEB	<u>1,033,761</u>	<u>2,022,891</u>
<u>Liabilities</u>		
Current liabilities	230,037	239,177
Long-term liabilities		
Net pension liability	3,444,157	5,142,976
Net OPEB liability	2,352,116	2,239,100
Other amounts	<u>487,648</u>	<u>410,719</u>
Total liabilities	<u>6,513,958</u>	<u>8,031,972</u>
<u>Deferred inflows of resources</u>		
Property taxes levied for the next fiscal year	4,394,547	4,344,559
Pension and OPEB	<u>1,140,545</u>	<u>68,999</u>
Total deferred outflows of resources	<u>5,535,092</u>	<u>4,413,558</u>
<u>Net position</u>		
Net investment in capital assets	3,574,813	3,572,486
Restricted	4,676	1,308
Unrestricted	<u>1,028,048</u>	<u>837,875</u>
Total net position	<u>\$ 4,607,537</u>	<u>\$ 4,411,669</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
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The net pension liability (NPL) is the largest single liability reported by the Library at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." For 2018, the Library adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to OPEB. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Library's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Library is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
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In accordance with GASB 68 and GASB 75, the Library's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the Library is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$6,616,486 to \$4,411,669.

Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources in 2018 by \$4,607,537, compared to \$4,411,669 in 2017 (restated), an increase of 4.44%. During 2018, the Library's total assets and deferred outflows of resources decreased by \$200,612 and total liabilities and deferred inflows of resources decreased by \$396,480.

Capital assets reported on the government-wide statements represent the 23.02% of the Library's total assets. Capital assets include land, land improvements, buildings and improvements, fixtures and equipment, and vehicles. The net investment in capital assets at December 31, 2018, was \$3,574,813. These capital assets are used to provide services to citizens and are not available for future spending. Although the Library's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

In accordance with GASB Statement No. 68 and GASB Statement No. 75 (see Notes 14 and 15 in the notes to the basic financial statements for detail), the Library has reported a net pension asset (\$16,159), deferred outflows of resources (\$1,033,761), net pension liability (\$3,444,157), net OPEB liability (\$2,352,116) and deferred inflows of resources (\$1,140,545) at December 31, 2018.

A portion of the Library's net position, \$4,676, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is \$1,028,048.

The table below shows the changes in net position for 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3 in the notes to the basic financial statements.

**Change in Net Position**

	2018	2017
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 201,959	\$ 240,915
Operating grants and contributions	93,404	91,767
Capital grants and contributions	15,000	-
Total program revenues	310,363	332,682
General revenues:		
Property taxes	4,167,936	4,096,002
Intergovernmental	3,529,740	3,239,407
Unrestricted grants and entitlements	3,166	8,136
Investment earnings	95,038	49,413
Miscellaneous	125,202	89,211
Total general revenues	7,921,082	7,482,169
Total revenues	8,231,445	7,814,851

- (Continued)

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)*

**Change in Net Position - (Continued)**

	2018	2017
<b>Program expenses</b>		
Library services:		
Public services and programs	\$ 5,786,455	\$ 5,712,504
Collection development and processing	321,425	244,102
Support services:		
Facilities operation and maintenance	875,696	861,953
Information services	67,270	55,125
Business administration	981,434	1,014,259
Interest and fiscal charges	3,297	6,733
Total expenses	8,035,577	7,894,676
Change in net position	195,868	(79,825)
Net position at beginning of year (restated)	4,411,669	N/A
Net position at end of year	\$ 4,607,537	\$ 4,411,669

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$34,283 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$207,244.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities
Total 2018 program expenses under GASB 75	\$ 8,035,577
OPEB expense under GASB 75	207,244
2018 contractually required contributions	5,171
Adjusted 2018 program expenses	8,247,992
Total 2017 program expenses under GASB 45	7,894,676
Increase in program expenses not related to OPEB	\$ 353,316



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)*

**Governmental Activities**

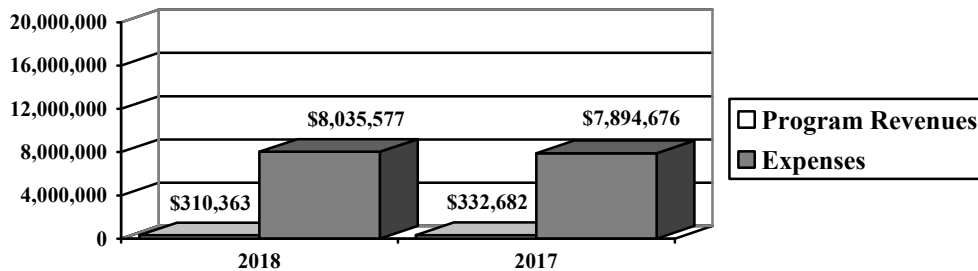
The funding for governmental activities comes from several different sources, the most significant being property taxes and intergovernmental general revenues not restricted to specific programs.

The Library's program revenues are charges for services and sales, operating grants and contributions, and capital grants and contributions. During 2018, the Library received \$201,959 in charges for services and sales from patrons and other entities that were used to support public services and programs and information services. The Library also received \$93,404 in operating grants and contributions that are restricted for library programs and \$15,000 in capital grants and contributions restricted for capital purposes during 2018. Program revenue decreased 6.71% from 2017 as a result of fewer fines.

The Library's general revenues primarily consist of property taxes and grants and entitlements not restricted to specific programs. Property tax revenue (\$4,167,936) and grants and entitlements not restricted to specific programs (\$3,529,740) represent 50.63% and 42.88%, respectively, of total revenues. The Library operates on a 2-mill property tax levy that was passed in November 2011. Grants and entitlements not restricted to specific programs consists of funds received from the State of Ohio through the Public Library Fund (see Note 7 to the notes to the financial statements for detail) and homestead and rollback. Other general revenues include unrestricted gifts and donations, investment earnings and miscellaneous revenues. Investment earnings increased during 2018 as a result of better interest rates and maturing investments. Miscellaneous general revenues include refunds.

The Library's largest expense, public services and programs (\$5,786,455), represents 72.01% of total expenses. Public services and programs expense supports youth and adult programs, outreach programs, processing and cataloging services, computer services, salaries and benefits of non-administrative staff, and the purchase of books, periodicals, newspapers, DVDs, audiobooks, and e-books. Business administration expense (\$981,434) represents 12.21% of total expenses and supports administrative salaries and benefits. Facilities operations and maintenance expense (\$875,696) represents 10.90% of total expenses and includes property maintenance expenses, insurance expenses, rents and leases, and utilities. Collection development and processing expenses are related to professional services such as adult, youth and local history lectures and speakers, library programming, staff development, auditing and accounting services, and marketing. Information services expenses include communication expenses such as telephone services, fax services, postage, and printing. Total expenses increased 1.78% from 2017 due to an increase in salaries and benefits, general administrative supplies, maintenance and repairs, and audiovisual materials.

**Governmental Activities - Program Revenues vs. Total Expenses**



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

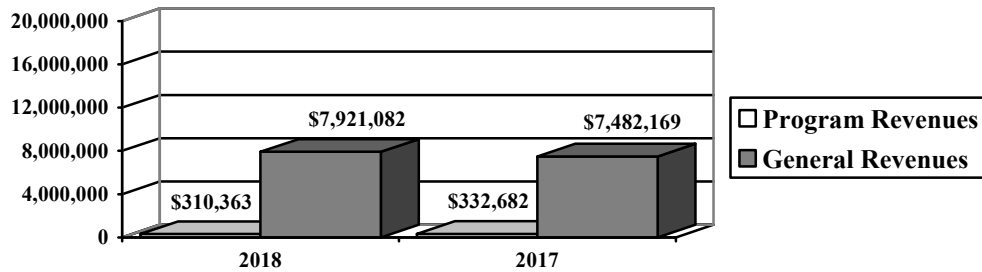
*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)*

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by property tax revenue, unrestricted intergovernmental revenue, unrestricted and gifts and donations, investment earnings and miscellaneous revenue. As can be seen in the graph below, the Library is highly dependent upon property taxes and other general revenues.

	<b>Governmental Activities</b>		<b>Governmental Activities</b>	
	2018		2017	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program expenses:				
Library services:				
Public services and programs	\$ 5,786,455	\$ 5,480,316	\$ 5,712,504	\$ 5,383,445
Collection development and processing	321,425	318,781	244,102	241,368
Support services:				
Facilities operation and maintenance	875,696	875,696	861,953	861,953
Information services	67,270	65,690	55,125	54,236
Business administration	981,434	981,434	1,014,259	1,014,259
Interest and fiscal charges	<u>3,297</u>	<u>3,297</u>	<u>6,733</u>	<u>6,733</u>
Total	<u>\$ 8,035,577</u>	<u>\$ 7,725,214</u>	<u>\$ 7,894,676</u>	<u>\$ 7,561,994</u>

The dependence upon general revenues for governmental activities is apparent, with 96.14% and 95.79% of expenses supported through property taxes and other general revenues for 2018 and 2017, respectively.

**Governmental Activities - General and Program Revenues**



**Financial Analysis of the Government's Funds**

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
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***Governmental Funds***

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Library's net resources available for spending at year-end.

The Library's governmental funds reported a combined fund balance of \$5,760,472 which is \$647,217 greater than last year's total of \$5,113,255. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2018 and December 31, 2017 for all major and nonmajor governmental funds.

	Fund Balances 12/31/18	Fund Balances 12/31/17	Change
Major funds:			
General	\$ 3,335,663	\$ 2,650,604	\$ 685,059
Building and repair	2,420,133	2,461,343	(41,210)
Other nonmajor governmental funds	4,676	1,308	3,368
Total	\$ 5,760,472	\$ 5,113,255	\$ 647,217

***General Fund***

The Library's general fund balance increased 25.85% from \$2,650,604 to \$3,335,663 in 2018. \$2,579,809 of the general fund balance was unassigned, which is an increase of \$709,307 from the prior year. Revenues and other financing sources exceeded expenditures and other financing uses by \$685,059 and \$499,189 in both 2018 and 2017, respectively.

General fund revenues increased 3.27% from the prior year. Property taxes and intergovernmental revenue increased due to increasing property values and related homestead and rollback. Patron fines and fees decreased as a result of fewer fines, earnings on investment increased due to maturing investments and better interest rates, and miscellaneous revenue increased from insurance claims and reimbursements received during 2018 related to water damage.

General fund expenditures increased 5.33% from the prior year. Public services and programs and business administration increased in the areas of salaries and benefits and general administrative supplies. Collection development and processing increased in relation to audiovisual materials. Facilities operation and maintenance increased due to higher utility costs and property maintenance and repairs. Information services increased slightly due to costs associated with communication, publication and printing. Debt service expenditures related to the Library's capital leases decreased during 2018.

The general fund transferred out \$350,000 to the building and repair fund in 2017 and reported proceeds from a capital lease transaction. During 2018, the general fund had no financing sources or uses.

***Building and Repair Fund***

The Library's building and repair fund received \$15,000 in intergovernmental revenue during 2018 and had \$56,210 in capital expenditures. The fund balance, assigned for capital projects, decreased to \$2,420,133 at December 31, 2018.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)*

***Budgeting Highlights***

The Library's budget is prepared according to the laws of the State of Ohio and is based on accounting for transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund.

Budgetary information is presented for the general fund. The actual revenues of \$8,084,476 were higher than the final budgeted revenues of \$8,045,889. Actual expenditures of \$7,936,492 were lower than the final appropriations of \$8,420,517. The variances between the actual and final budgeted amounts were due to conservative budgeting. Budgeted revenues increased \$236,462 from original to final, and the appropriations increased \$95,000 from original to final.

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2018, the Library had \$3,596,414 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, fixtures and equipment, and vehicles.

The following table shows 2018 balances compared to 2017:

**Capital Assets at December 31 (Net of Depreciation)**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 70,603	\$ 70,603
Land improvements	2,584	5,168
Buildings and improvements	2,697,373	2,819,235
Fixtures and equipment	808,704	685,940
Vehicles	17,150	22,234
Totals	<u>\$ 3,596,414</u>	<u>\$ 3,603,180</u>

The Library had additions of \$282,342, depreciation expense of \$289,108 and disposals of \$31,011 (fully depreciated) during 2018, resulting in a decrease in net capital assets of \$6,766. See Note 9 in the notes to the basic financial statements for detail on capital assets.

***Debt Administration***

The Library had capital lease obligations in the amount of \$43,647 and \$92,875 at December 31, 2018 and 2017, respectively. At December 31, 2018, \$27,857 of the capital lease obligation was due in one year.

See Note 11 to the basic financial statements for detail on long-term obligations.

**Contacting the Library's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Dan Griscom, Fiscal Officer, Westerville School District Library, 126 S. State Street, Westerville, Ohio 43081.

BASIC  
FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*STATEMENT OF NET POSITION  
DECEMBER 31, 2018*

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments. . . . .	\$ 5,446,314
Receivables:	
Property taxes . . . . .	4,490,367
Accounts. . . . .	61,135
Accrued interest . . . . .	8,246
Intergovernmental . . . . .	1,740,230
Materials and supplies inventory. . . . .	2,588
Prepayments . . . . .	261,373
Net pension asset. . . . .	16,159
Capital assets:	
Nondepreciable capital assets . . . . .	70,603
Depreciable capital assets, net. . . . .	3,525,811
Total capital assets, net. . . . .	3,596,414
Total assets . . . . .	15,622,826
<b>Deferred outflows of resources:</b>	
Pension . . . . .	855,499
OPEB . . . . .	178,262
Total deferred outflows of resources . . . . .	1,033,761
<b>Liabilities:</b>	
Accounts payable. . . . .	139,040
Accrued wages and benefits payable . . . . .	62,768
Intergovernmental payable . . . . .	28,229
Long-term liabilities:	
Due within one year . . . . .	296,894
Due greater than one year:	
Net pension liability. . . . .	3,444,157
Net OPEB liability . . . . .	2,352,116
Other amounts due in more than one year.	190,754
Total liabilities . . . . .	6,513,958
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	4,394,547
Pension . . . . .	907,509
OPEB . . . . .	233,036
Total deferred inflows of resources . . . . .	5,535,092
<b>Net position:</b>	
Net investment in capital assets. . . . .	3,574,813
Restricted for:	
Public services and programs . . . . .	3,836
Collection development and processing . . . . .	840
Unrestricted. . . . .	1,028,048
Total net position . . . . .	\$ 4,607,537

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018*

		<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	
<b>Governmental activities:</b>					
Library services:					
Public services and programs. . . . .	\$ 5,786,455	\$ 200,379	\$ 90,760	\$ 15,000	\$ (5,480,316)
Collection development and processing . . . . .	321,425	-	2,644	-	(318,781)
Support services:					
Facilities operation and maintenance. . . . .	875,696	-	-	-	(875,696)
Information services . . . . .	67,270	1,580	-	-	(65,690)
Business administration. . . . .	981,434	-	-	-	(981,434)
Interest and fiscal charges. . . . .	3,297	-	-	-	(3,297)
<b>Total governmental activities . . . . .</b>	<b><u>\$ 8,035,577</u></b>	<b><u>\$ 201,959</u></b>	<b><u>\$ 93,404</u></b>	<b><u>\$ 15,000</u></b>	<b><u>(7,725,214)</u></b>
<b>General revenues:</b>					
Property taxes . . . . .					4,167,936
Intergovernmental . . . . .					3,529,740
Unrestricted gifts and donations . . . . .					3,166
Investment earnings . . . . .					95,038
Miscellaneous . . . . .					125,202
<b>Total general revenues . . . . .</b>					<b><u>7,921,082</u></b>
Change in net position . . . . .					195,868
<b>Net position at beginning of year (restated) . . . . .</b>					<b><u>4,411,669</u></b>
<b>Net position at end of year . . . . .</b>					<b><u>\$ 4,607,537</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018*

	<b>General Fund</b>	<b>Building and Repair Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 3,020,203	\$ 2,420,133	\$ 5,978	\$ 5,446,314
Receivables:				
Property taxes . . . . .	4,490,367	-	-	4,490,367
Accounts . . . . .	61,135	-	-	61,135
Accrued interest . . . . .	8,246	-	-	8,246
Intergovernmental . . . . .	1,740,230	-	-	1,740,230
Materials and supplies inventory. . . . .	2,588	-	-	2,588
Prepayments . . . . .	261,373	-	-	261,373
Total assets . . . . .	<u>\$ 9,584,142</u>	<u>\$ 2,420,133</u>	<u>\$ 5,978</u>	<u>\$ 12,010,253</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 137,738	\$ -	\$ 1,302	\$ 139,040
Accrued wages and benefits payable . . . . .	62,768	-	-	62,768
Compensated absences payable . . . . .	12,264	-	-	12,264
Intergovernmental payable . . . . .	28,229	-	-	28,229
Total liabilities . . . . .	<u>240,999</u>	<u>-</u>	<u>1,302</u>	<u>242,301</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	4,394,547	-	-	4,394,547
Delinquent property tax revenue not available . . . . .	95,820	-	-	95,820
Accrued interest not available . . . . .	5,857	-	-	5,857
Miscellaneous revenue not available . . . . .	5,060	-	-	5,060
Intergovernmental revenue not available . . . . .	1,506,196	-	-	1,506,196
Total deferred inflows of resources . . . . .	<u>6,007,480</u>	<u>-</u>	<u>-</u>	<u>6,007,480</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	2,588	-	-	2,588
Prepayments . . . . .	261,373	-	-	261,373
Restricted for:				
Public services and programs. . . . .	-	-	4,676	4,676
Assigned:				
Capital projects . . . . .	-	2,420,133	-	2,420,133
Public services and programs . . . . .	135,220	-	-	135,220
Collection and processing. . . . .	46,456	-	-	46,456
Facilities operation and maintenance . . . . .	110,671	-	-	110,671
Information services. . . . .	1,647	-	-	1,647
Business administration . . . . .	3,942	-	-	3,942
Capital outlay . . . . .	193,957	-	-	193,957
Unassigned . . . . .	2,579,809	-	-	2,579,809
Total fund balances . . . . .	<u>3,335,663</u>	<u>2,420,133</u>	<u>4,676</u>	<u>5,760,472</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 9,584,142</u>	<u>\$ 2,420,133</u>	<u>\$ 5,978</u>	<u>\$ 12,010,253</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2018*

<b>Total governmental fund balances</b>		\$	5,760,472
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			3,596,414
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	95,820	
Accounts receivable		5,060	
Intergovernmental receivable		1,506,196	
Accrued interest receivable		5,857	
Total		1,612,933	1,612,933
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		16,159	
Deferred outflows of resources		855,499	
Deferred inflows of resources		(907,509)	
Net pension liability		(3,444,157)	
Total		(3,480,008)	(3,480,008)
The net OPEB liability is not available to pay for current period expenditures and is not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources		178,262	
Deferred inflows of resources		(233,036)	
Net OPEB liability		(2,352,116)	
Total		(2,406,890)	(2,406,890)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(431,737)	
Capital lease obligation		(43,647)	
Total		(475,384)	(475,384)
<b>Net position of governmental activities</b>		\$	4,607,537

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<b>General Fund</b>	<b>Building and Repair Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Property taxes . . . . .	\$ 4,155,072	\$ -	\$ -	\$ 4,155,072
Intergovernmental . . . . .	3,454,164	15,000	4,848	3,474,012
Patron fines and fees . . . . .	112,247	-	-	112,247
Services provided to other entities . . . . .	89,712	-	-	89,712
Contributions, gifts and donations . . . . .	50,685	-	52,500	103,185
Earnings on investments. . . . .	99,144	-	-	99,144
Miscellaneous . . . . .	181,274	-	-	181,274
Total revenues. . . . .	<u>8,142,298</u>	<u>15,000</u>	<u>57,348</u>	<u>8,214,646</u>
<b>Expenditures:</b>				
Current:				
Library services:				
Public services and programs. . . . .	4,942,825	-	52,144	4,994,969
Collection development and processing . . . . .	315,927	-	534	316,461
Support services:				
Facilities operation and maintenance . . . . .	900,653	-	-	900,653
Information services. . . . .	47,357	-	-	47,357
Business administration. . . . .	867,386	-	-	867,386
Capital outlay . . . . .	330,566	56,210	1,302	388,078
Debt service:				
Principal retirement . . . . .	49,228	-	-	49,228
Interest and fiscal charges . . . . .	3,297	-	-	3,297
Total expenditures . . . . .	<u>7,457,239</u>	<u>56,210</u>	<u>53,980</u>	<u>7,567,429</u>
Net change in fund balances . . . . .	685,059	(41,210)	3,368	647,217
<b>Fund balances at beginning of year. . . . .</b>	<u>2,650,604</u>	<u>2,461,343</u>	<u>1,308</u>	<u>5,113,255</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 3,335,663</u>	<u>\$ 2,420,133</u>	<u>\$ 4,676</u>	<u>\$ 5,760,472</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018*

<b>Net change in fund balances - total governmental funds</b>	\$	647,217
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.		
Capital asset additions	\$ 282,342	
Current year depreciation	(289,108)	
Total		(6,766)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	12,864	
Intergovernmental revenues	75,576	
Earnings on investments	(4,106)	
Other	4,218	
Total		88,552
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		49,228
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	437,455	
OPEB	5,171	
Total		442,626
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension expense in the statement of activities.		
Pension	(702,487)	
OPEB	(207,244)	
Total		(909,731)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(115,258)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>195,868</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes. . . . .	\$ 4,013,709	\$ 4,155,072	\$ 4,155,072	\$ -
Intergovernmental. . . . .	3,333,259	3,450,655	3,450,657	2
Patron fines and fees . . . . .	108,476	110,149	112,297	2,148
Services provided to other entities . . . . .	86,660	89,700	89,712	12
Investment earnings. . . . .	98,428	95,067	101,895	6,828
Contributions, gifts and donations . . . . .	47,512	48,492	49,185	693
Other . . . . .	121,383	96,754	125,658	28,904
Total revenues . . . . .	<u>7,809,427</u>	<u>8,045,889</u>	<u>8,084,476</u>	<u>38,587</u>
<b>Expenditures:</b>				
Current:				
Library services:				
Public services and programs. . . . .	5,199,660	5,263,824	5,106,700	157,124
Collection development and processing . . . . .	435,158	403,657	368,088	35,569
Support services:				
Facilities operation and maintenance . . . . .	1,251,480	1,313,480	1,084,589	228,891
Information services. . . . .	56,307	57,807	49,894	7,913
Business administration. . . . .	884,847	883,683	872,786	10,897
Capital outlay. . . . .	498,065	498,066	454,435	43,631
Total expenditures. . . . .	<u>8,325,517</u>	<u>8,420,517</u>	<u>7,936,492</u>	<u>484,025</u>
Net change in fund balances . . . . .	(516,090)	(374,628)	147,984	522,612
<b>Fund balances at beginning of year . . . . .</b>	1,822,375	1,822,375	1,822,375	-
<b>Prior year encumbrances appropriated . . . . .</b>	522,917	522,917	522,917	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,829,202</u>	<u>\$ 1,970,664</u>	<u>\$ 2,493,276</u>	<u>\$ 522,612</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2018*

	<b>Agency</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments. . . . .	\$ 3,525
Receivables:	
Accounts . . . . .	11
Total assets . . . . .	\$ 3,536
<b>Liabilities:</b>	
Funds held and due to others. . . . .	\$ 3,536
Total liabilities . . . . .	\$ 3,536

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 1 - DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY**

The Westerville School District Library (Library), Franklin County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Westerville City School District Board of Education appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Library is fiscally independent of the Westerville City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy and the role and purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit or to impose a financial burden on the Board of Education.

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14 “The Financial Reporting Entity”, GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14”, and GASB Statement No. 61 “Omnibus—an amendment of GASB Statements No. 14 and No. 34”, the Library is considered to be a related organization of the Westerville City School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization’s Governing Board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization’s resources; (3) the Library is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; (4) or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Library. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. Based upon the application of this criteria, management does not believe the Library has any material potential component units that should be included as part of the Library’s reporting entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements (BFS) of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial principles. The Library’s significant accounting policies are described below.

**A. Basis of Presentation**

The Library’s BFS consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

***Government-Wide Financial Statements*** - The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the primary government, except for the fiduciary fund.

The Statement of Net position presents the financial condition of the governmental activities of the Library at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Library.

***Fund Financial Statements*** - During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The following two categories are used by the Library:

***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the Library's major governmental funds:

*General Fund* - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Building and Repair Fund* - The monies maintained in this fund are to be used for improving, repairing and expanding the existing library facility.

Other governmental funds of the Library are used to account for specific revenue sources that are restricted or assigned to expenditures for specified purposes.



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Library under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Library's own programs. The Library has no trust funds.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Library's agency fund accounts for the employee flexible spending program.

**C. Measurement Focus**

***Government-Wide Financial Statements*** - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the Library are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

The agency fund does not report on a measurement focus as it does not report operations.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and deferred outflows of resources, and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Nonexchange Transactions*** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Library, available means expected to be received within thirty-one days of year-end.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: earnings on investments, grants, entitlements and donations.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Library, see Notes 14 and 15 for deferred outflows of resources related to the Library's net pension liability and net OPEB liability, respectively.

In addition to liabilities, both the government-wide Statement of Net Position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Library, deferred inflows of resources include property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet and represents receivables which will not be collected within the available period. For the Library, unavailable revenue includes, but is not limited to, delinquent property taxes, grants and earnings on investments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the Library, see Notes 14 and 15 for deferred inflows of resources related to the Library's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of Net Position.

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. Budgetary Process**

All funds, except for the agency fund, are legally required to be budgeted and appropriated. The budget documents prepared by the Library are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources established a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established at the fund and two-digit object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Trustees.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amount set forth in the budgetary statements and schedules as final budgeted amounts represent amounts from the amended certificate in force at the time final appropriations were passed by the Board of Trustees.

**F. Cash and Investments**

To improve cash management, cash received by the Library is pooled. Individual fund integrity is maintained through the Library's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

During 2018, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), U.S. government money markets, and negotiable certificates of deposits. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

During 2018, the Library invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Library measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Library has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2018 amounted to \$99,144 of which \$47,254 was assigned from other Library funds.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For purposes of presentation on the Statement of Net Position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Library, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are reported as investments. An analysis of the Library's investment account at year end is provided in Note 4.

**G. Inventory**

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types. Inventory consists of supplies.

On the fund financial statements, reported inventory is equally offset by a nonspendable fund balance in the governmental funds.

**H. Prepaid Items**

Payments made to vendors for services that will benefit beyond December 31, 2018, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in the governmental funds.

**I. Capital Assets**

The Library's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Library maintains a capitalization threshold of \$5,000. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not capitalized. Interest incurred during the construction of capital assets is also capitalized. Library books are reflected as expenses when purchased and are not capitalized as assets of the Library.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	20 - 40 years
Fixtures and equipment	5 - 20 years
Vehicles	8 years

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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**J. Compensated Absences**

Compensated absences of the Library consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Library and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) benefits. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at December 31, 2018, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31, 2018 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

Compensated absences are only reported in the governmental fund financial statements if they have matured. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid, which is primarily the general fund. The noncurrent portion of the liability is not reported.

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**L. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

*Restricted* - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints are imposed on the use of underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Trustees. In the general fund, assigned amounts represent intended uses established by the Board of Trustees, or a Library official delegated by State statute. State statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Library applies restricted resources first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) fund balance are available. The Library considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for the purposes for which any of the unrestricted fund balance classifications could be used.

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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**M. Net Position**

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Library applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**N. Interfund Activity**

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

**O. Estimates**

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

**P. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**Q. Fair Value Measurements**

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles/Restatement of Net Position**

For fiscal year 2018, the Library has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the Library's postemployment benefit plan disclosures, as presented in Note 15 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Library.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Library.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities at January 1, 2018 have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ 6,616,486
Deferred outflows - payments subsequent to measurement date	34,283
Net OPEB liability	(2,239,100)
Restated net position at January 1, 2018	\$ 4,411,669

Other than employer contributions subsequent to the measurement date, the Library made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.



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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS**

The Library's investment policy was developed and implemented in accordance with Ohio Revised Code Section 135. State statutes classify monies held by the Library into three categories:

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Library Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Governing Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be deposited or invested in those instruments identified in Section 135.18(B) of the Ohio Revised Code. Specifically, authorized investments shall consist of the following:

1. Bonds, notes or other obligations of the United States;
2. Bonds, notes or other obligations issued by any federal government agency;
3. Certificates of deposit in any bank or savings and loan association having an office located within Franklin County and eligible to become a public depository in accordance with Section 135.04 of the Ohio Revised Code;
4. Written repurchase agreements of any eligible bank or savings and loan association under the terms of which agreement the Library purchases and seller agrees unconditionally to repurchase any of the securities. This agreement shall contain the requirement that for each transaction the participating institution shall provide all of the following information: (a) the face amount of the securities; (b) the rate and maturity date of the securities; (c) a numerical identifier generally accepted in the securities industry that designates the securities;
5. Bonds and other obligations of this state, its political subdivisions, or other units or agencies of this state or its political subdivisions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Demand deposit accounts (checking, savings, and negotiable orders of withdrawal, zero balance, and concentration accounts) established with local financial institutions approved as depositories for active, interim and inactive funds.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. The issuer of the surety bond shall be rated at least "AA" by any of the nationally recognized rating agencies.

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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**A. Cash on Hand**

At year end, the Library had \$2,180 in undeposited cash on hand which is included on the financial statements of the Library as part of “equity in pooled cash and investments”.

**B. Deposits with Financial Institutions**

At December 31, 2018, the carrying amount of all Library deposits was \$200,760. As of December 31, 2018, the Library’s bank balance was \$349,089, which was either covered by FDIC or collateralized by the financial institutions’ collateral pool described below.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the Library’s financial institutions were approved for a collateral rate through the OPCS.

**C. Investments**

As of December 31, 2018, the Library had the following investments and maturities:

<u>Investment type</u>	<u>Investment Maturities</u>			
	<u>Measurement Amount</u>	<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>
<i>Fair value:</i>				
Negotiable CDs	\$ 2,467,231	\$ 744,692	\$ 1,476,586	\$ 245,953
U.S. Government money market	673	673	-	-
<i>Amortized cost:</i>				
STAR Ohio	<u>2,778,995</u>	<u>2,778,995</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,246,899</u>	<u>\$ 3,524,360</u>	<u>\$ 1,476,586</u>	<u>\$ 245,953</u>

The Library’s investments in U.S. Government money markets are valued using quoted market prices in active markets (Level 1 inputs). The Library's investments in negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Interest Rate Risk:* The Library’s investment policy limits investment purchases to those that mature within five years of the date of purchase. The term of any repurchase agreement shall not exceed thirty days. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library’s investment policy addresses interest rate risk by requiring the consideration of cash flow projections in determining the appropriate maturities.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Library has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The Library has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Fiscal Officer or qualified trustee.

*Credit Risk:* Standard & Poor’s has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The U.S. government money market and negotiable CDs were not rated. The negotiable CDs are covered by FDIC. The Library’s investment policy does not specifically address credit risk beyond requiring the Library to only invest in certain securities authorized by State Statute.

*Concentration of Credit Risk:* The Library’s investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

The following table includes the percentage of each investment type held by the Library at December 31, 2018:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair value:</i>		
Negotiable CDs	\$ 2,467,231	47.02
U.S. Government money market	673	0.01
<i>Amortized cost:</i>		
STAR Ohio	<u>2,778,995</u>	<u>52.97</u>
Total	<u>\$ 5,246,899</u>	<u>100.00</u>

**D. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 200,760
Investments	5,246,899
Cash on hand	<u>2,180</u>
Total	<u>\$ 5,449,839</u>

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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Equity in pooled cash and investments per statement of net position</u>	
Governmental activities	\$ 5,446,314
Agency fund	<u>3,525</u>
Total	<u>\$ 5,449,839</u>

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the boundaries of the Westerville City School District. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Library receives property taxes from Franklin and Delaware Counties. The County Auditors periodically remit to the Library its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2018 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all Library operations for the year ended December 31, 2018 was \$2.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 2,122,980,130
Commercial/Industrial	442,378,200
 <u>Public Utility</u>	
Real	<u>58,463,770</u>
Total Assessed Value	<u>\$ 2,623,822,100</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
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*NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - TAX ABATEMENTS**

**Community Reinvestment Area**

The City of Westerville provides tax abatements through Community Reinvestment Areas (CRAs).

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The CRA agreements entered into by the City of Westerville affect the property tax receipts collected and distributed to the Library. There were 124 parcels that have taxes abated through CRA agreements that affected the Library. Under these agreements, the Library's property taxes were reduced by \$83,973 in 2018.

**NOTE 7 - GRANTS-IN-AID**

A major source of revenue for Ohio public libraries is the Public Library Fund (PLF). The source of money for this fund comes from a percentage of the State taxes collected in Ohio including the State income tax and sales tax. During 2018, the PLF distribution was based on 1.68 percent of the State's General Revenue Fund tax revenue for the first and second half of the year. The Franklin and Delaware County Budget Commissions allocate these funds to the Library based on a formula that was negotiated and agreed to by public libraries located in the counties. The County Budget Commissions cannot reduce their allocation of these funds to the Library based on any additional revenues the Library receives.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2018, consisted primarily of property taxes, accounts (patron fines and fees and services provided to other entities), accrued interest, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full. All receivables are expected to be collected within the subsequent year.

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**NOTE 8 - RECEIVABLES - (Continued)**

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 4,490,367
Accounts	61,135
Accrued interest	8,246
Intergovernmental:	
Public library fund	1,472,818
Homestead and rollback	267,266
Bureau of workers compensation refund	146
Total intergovernmental receivables	<u>\$ 1,740,230</u>

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance <u>12/31/17</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/18</u>
<b><u>Governmental activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 70,603	\$ -	\$ -	\$ 70,603
Total capital assets, not being depreciated	<u>70,603</u>	<u>-</u>	<u>-</u>	<u>70,603</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	275,228	-	-	275,228
Buildings and improvements	7,533,940	43,615	-	7,577,555
Fixtures and equipment	1,683,294	238,727	(31,011)	1,891,010
Vehicles	45,191	-	-	45,191
Total capital assets, being depreciated	<u>9,537,653</u>	<u>282,342</u>	<u>(31,011)</u>	<u>9,788,984</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(270,060)	(2,584)	-	(272,644)
Buildings and improvements	(4,714,705)	(165,477)	-	(4,880,182)
Fixtures and equipment	(997,354)	(115,963)	31,011	(1,082,306)
Vehicles	(22,957)	(5,084)	-	(28,041)
Total accumulated depreciation	<u>(6,005,076)</u>	<u>(289,108)</u>	<u>31,011</u>	<u>(6,263,173)</u>
Total capital assets, being depreciated, net	<u>3,532,577</u>	<u>(6,766)</u>	<u>-</u>	<u>3,525,811</u>
Governmental activities capital assets, net	<u>\$ 3,603,180</u>	<u>\$ (6,766)</u>	<u>\$ -</u>	<u>\$ 3,596,414</u>

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**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental activities as follows:

Library services:	
Public services and programs	\$ 258,639
Collection development and processing	269
Support services:	
Facilities operation and maintenance	9,927
Information services	19,210
Business administration	<u>1,063</u>
Total depreciation expense	<u>\$ 289,108</u>

**NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

During prior fiscal years, the Library entered into capitalized leases for copier equipment. The lease agreements meet the criteria of a capital lease as defined by GASB, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds and as functional expenditures in the budgetary statements.

At December 31, 2018, capital assets acquired by the capital lease obligations outstanding at year-end have been capitalized in the amount of \$50,502, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2018 was \$25,944, leaving a current book value of \$24,558. The liability of the capital lease obligations that were capitalized at December 31, 2018 was \$21,601. The Library had a balance of \$22,046 in capital lease obligations for computer equipment that was not capitalized, as the equipment was below the capitalization threshold.

A corresponding liability is recorded in the Statement of Net Position. Principal and interest payments in fiscal year 2018 totaled \$49,228 and \$3,297, respectively, in the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease obligations and the present value of the minimum lease payments as of December 31, 2018:

<u>Year Ending December 31,</u>	<u>Copiers</u>
2019	\$ 29,415
2020	14,591
2021	<u>1,772</u>
Total minimum lease payments	45,778
Less: amount representing interest	<u>(2,131)</u>
Total	<u>\$ 43,647</u>

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**NOTE 11 - LONG-TERM OBLIGATIONS**

The long-term obligations at December 31, 2017, have been restated as described in Note 3 to include the net OPEB liability. Long-term obligations activity for the year ended December 31, 2018 was as follows:

	(Restated)			Balance 12/31/2018	Amounts Due in One Year
	Balance 12/31/2017	Increase	Decrease		
<b>Governmental activities:</b>					
Compensated absences	\$ 317,844	\$ 306,949	\$ (180,792)	\$ 444,001	\$ 269,037
Net pension liability	5,142,976	-	(1,698,819)	3,444,157	-
Net OPEB liability	2,239,100	113,016	-	2,352,116	-
Capital lease obligation	<u>92,875</u>	<u>-</u>	<u>(49,228)</u>	<u>43,647</u>	<u>27,857</u>
Total governmental activities	<u>\$ 7,792,795</u>	<u>\$ 419,965</u>	<u>\$ (1,928,839)</u>	<u>\$ 6,283,921</u>	<u>\$ 296,894</u>

Compensated Absences

Compensated absences will be paid from the funds from which the employees' salaries are paid, which is the general fund.

Net Pension Liability and Net OPEB Liability:

The net pension liability and net OPEB liability will be paid from the general fund. See Notes 14 and 15 for details.

Capital Lease Obligations

See Note 10 for detail on the Library's capital lease obligations.

**NOTE 12 - RISK MANAGEMENT**

**A. Property and Liability Insurance**

The Library has obtained commercial insurance from the Ohio Plan for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

Settled claims have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

**B. Workers' Compensation**

The Library belongs to the Ohio Library Council Group Retrospective Rating Program (Group Retro) for Workers' Compensation. Group Retro offers the potential for premium refunds paid over a three-year period at 12, 24, and 36 months following the end of the group retro policy year. These premium refunds are based on the total group's cost control performance.



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**NOTE 12 - RISK MANAGEMENT - (Continued)**

Workers' compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System, a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

**C. Employee Health Insurance**

The Library provides employees with health, dental, vision and life insurance. The Library pays 100% of the monthly premiums for the benefits for full-time employees, and 50% of the monthly benefits for part-time employees. If employees choose to enroll spouses and/or other family members, the employee pays the additional premiums.

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

**A. Accumulated Unpaid Vacation**

Library full-time and part-time employees earn vacation leave at varying rates based upon position, hire date, length of service and hours worked per week. Vacation leave is credited on a monthly basis (pay period) and no vacation credit will be given for partial months worked. Vacation leave may be accumulated to a maximum of credits that can be earned in two consecutive years of employment. Employees whose employment that is terminated for any reason other than cause or resignation without proper notice will receive payout of accrued but unused vacation.

**B. Accumulated Unpaid Sick Leave**

Library full-time and part-time employees earn sick leave credits on a monthly-basis as follows:

	<u>Hours per Week</u>	<u>Sick Leave Hours Accrued per Month</u>	<u>Maximum Accumulated Sick Leave Hours</u>
Full-time employees	n/a	10	960
Part-time employees	12	3	288
Part-time employees	16	4	384
Part-time employees	20	5	480

Employees whose employment that is terminated for any reason other than cause or resignation without proper notice will be paid 25% of his/her accumulated sick leave at the time of termination after ten years of continuous employment. Payment shall be made at the employee's rate of pay at the time of termination.

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability/Asset***

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the Library's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Library's obligation for this liability to annually required payments. The Library cannot control benefit terms or the manner in which pensions are financed; however, the Library does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included as an intergovernmental payable on both the accrual and modified accrual bases of accounting.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Library employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2018 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Library's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$437,455 for 2018. Of this amount, \$8,685 is reported as intergovernmental payable.

***Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2017, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability or asset was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities.

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.022648%	0.014948%	0.017071%	
Proportion of the net pension liability/asset current measurement date	<u>0.021954%</u>	<u>0.011307%</u>	<u>0.021985%</u>	
Change in proportionate share	<u>-0.000694%</u>	<u>-0.003641%</u>	<u>0.004914%</u>	
Proportionate share of the net pension liability	\$ 3,444,157	\$ -	\$ -	\$ 3,444,157
Proportionate share of the net pension asset	-	(15,392)	(767)	(16,159)
Pension expense	700,251	2,485	(249)	702,487

At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
<b>Deferred outflows of resources</b>				
Differences between expected and actual experience	\$ 3,517	\$ -	\$ 1,493	\$ 5,010
Changes of assumptions	411,599	1,344	91	413,034
Library contributions subsequent to the measurement date	<u>417,939</u>	<u>6,590</u>	<u>12,926</u>	<u>437,455</u>
Total deferred outflows of resources	<u>\$ 833,055</u>	<u>\$ 7,934</u>	<u>\$ 14,510</u>	<u>\$ 855,499</u>

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
<b>Deferred inflows of resources</b>				
Differences between expected and actual experience	\$ 67,872	\$ 4,586	\$ -	\$ 72,458
Net difference between projected and actual earnings on pension plan investments	739,415	2,428	218	742,061
Changes in employer's proportionate percentage/ difference between employer contributions	92,990	-	-	92,990
Total deferred inflows of resources	<u>\$ 900,277</u>	<u>\$ 7,014</u>	<u>\$ 218</u>	<u>\$ 907,509</u>

\$437,455 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Year Ending December 31:				
2019	\$ 253,653	\$ (772)	\$ 171	\$ 253,052
2020	(109,378)	(836)	165	(110,049)
2021	(325,598)	(1,382)	136	(326,844)
2022	(303,836)	(1,326)	140	(305,022)
2023	(2)	(472)	205	(269)
Thereafter	-	(882)	549	(333)
Total	<u>\$ (485,161)</u>	<u>\$ (5,670)</u>	<u>\$ 1,366</u>	<u>\$ (489,465)</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
<b>Total</b>	<b>100.00 %</b>	<b>5.66 %</b>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the Library's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the Library's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Library's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 6,115,945	\$ 3,444,157	\$ 1,216,691
Combined Plan	(8,367)	(15,392)	(20,240)
Member-Directed Plan	(440)	(767)	(1,099)



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**NOTE 15 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the Library's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Library's obligation for this liability to annually required payments. The Library cannot control benefit terms or the manner in which OPEB are financed; however, the Library does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Library's contractually required contribution was \$5,171 for 2018. Of this amount, \$103 is reported as intergovernmental payable.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Library's proportion of the net OPEB liability was based on the Library's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the net OPEB liability prior measurement date	0.022169%
Proportion of the net OPEB liability current measurement date	<u>0.021660%</u>
Change in proportionate share	<u>-0.000509%</u>
Proportionate share of the net OPEB liability	\$ 2,352,116
OPEB expense	\$ 207,244

At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred outflows of resources</b>	
Differences between expected and actual experience	\$ 1,832
Changes of assumptions	171,259
Library contributions subsequent to the measurement date	<u>5,171</u>
Total deferred outflows of resources	<u>\$ 178,262</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	OPERS
<b>Deferred inflows of resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 175,217
Changes in employer's proportionate percentage/difference between employer contributions	57,819
Total deferred inflows of resources	\$ 233,036

\$5,171 reported as deferred outflows of resources related to OPEB resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2019	\$ 11,307
2020	11,307
2021	(38,753)
2022	(43,804)
2023	(2)
Total	\$ (59,945)

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
<b>Total</b>	<b>100.00 %</b>	<b>4.98 %</b>

**Discount Rate** A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the Library's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Library's proportionate share of the net OPEB liability	\$ 3,124,888	\$ 2,352,116	\$ 1,726,952

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate* Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Library's proportionate share of the net OPEB liability	\$ 2,250,474	\$ 2,352,116	\$ 2,457,110

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned, committed, or restricted fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for the general fund:

	<u>General</u>
Budget basis	\$ 147,984
Net adjustment for revenue accruals	57,822
Net adjustment for expenditure accruals	(60,443)
Adjustment for encumbrances	539,696
GAAP basis	\$ 685,059

**NOTE 17 - CONTINGENCIES**

**A. Grants**

The Library receives significant financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the Library at December 31, 2018.

**B. Litigation**

The Library is not a party to legal proceedings.

**NOTE 18 - OTHER COMMITMENTS**

The Library utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Library's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 385,292
Building and repair fund	54,091
Other governmental	2,739
Total	\$ 442,122



REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*LAST THREE YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>			
Library's proportion of the net pension liability	0.021954%	0.022648%	0.023043%
Library's proportionate share of the net pension liability	\$ 3,444,157	\$ 5,142,976	\$ 3,991,338
Library's covered payroll	\$ 2,899,992	\$ 2,928,600	\$ 3,123,043
Library's proportionate share of the net pension liability as a percentage of its covered payroll	118.76%	175.61%	127.80%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%
<i>Combined Plan:</i>			
Library's proportion of the net pension asset	0.011307%	0.014948%	0.017360%
Library's proportionate share of the net pension asset	\$ 15,392	\$ 8,320	\$ 8,448
Library's covered payroll	\$ 46,308	\$ 58,175	\$ 63,183
Library's proportionate share of the net pension asset as a percentage of its covered payroll	33.24%	14.30%	13.37%
Plan fiduciary net position as a percentage of the total pension asset	137.28%	116.55%	116.90%
<i>Member Directed Plan:</i>			
Library's proportion of the net pension asset	0.021985%	0.017071%	0.014023%
Library's proportionate share of the net pension asset	\$ 767	\$ 71	\$ 54
Library's covered payroll	\$ 92,692	\$ 88,617	\$ 78,092
Library's proportionate share of the net pension asset as a percentage of its covered payroll	0.83%	0.08%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	124.46%	103.40%	103.91%

Note: Information prior to 2016 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Library's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*LAST FOUR YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 417,939	\$ 376,999	\$ 351,432	\$ 374,765
Contributions in relation to the contractually required contribution	<u>(417,939)</u>	<u>(376,999)</u>	<u>(351,432)</u>	<u>(374,765)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 2,985,279	\$ 2,899,992	\$ 2,928,600	\$ 3,123,043
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 6,590	\$ 6,020	\$ 6,981	\$ 7,582
Contributions in relation to the contractually required contribution	<u>(6,590)</u>	<u>(6,020)</u>	<u>(6,981)</u>	<u>(7,582)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 47,071	\$ 46,308	\$ 58,175	\$ 63,183
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 12,926	\$ 12,050	\$ 10,634	\$ 9,371
Contributions in relation to the contractually required contribution	<u>(12,926)</u>	<u>(12,050)</u>	<u>(10,634)</u>	<u>(9,371)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 129,260	\$ 92,692	\$ 88,617	\$ 78,092
Contributions as a percentage of covered payroll	10.00%	13.00%	12.00%	12.00%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*LAST TWO YEARS*

	<b>2018</b>	<b>2017</b>
Library's proportion of the net OPEB liability	0.021660%	0.022169%
Library's proportionate share of the net OPEB liability	\$ 2,352,116	\$ 2,239,100
Library's covered payroll	\$ 3,038,992	\$ 3,075,392
Library's proportionate share of the net OPEB liability as a percentage of its covered payroll	77.40%	72.81%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Library's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION*

*SCHEDULE OF LIBRARY OPEB CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*LAST FOUR YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,171	\$ 34,283	\$ 61,508	\$ 64,883
Contributions in relation to the contractually required contribution	<u>(5,171)</u>	<u>(34,283)</u>	<u>(61,508)</u>	<u>(64,883)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 3,161,610	\$ 3,038,992	\$ 3,075,392	\$ 3,264,318
Contributions as a percentage of covered payroll	0.16%	1.13%	2.00%	1.99%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018*

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PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2015-2018.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018.

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2018.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**GENERAL FUND**

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

**SPECIAL REVENUE FUNDS**

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted or committed for specified expenditure purposes. The following are the special revenue funds which the Library operates:

**Nonmajor Special Revenue Funds**

***Imagination Library Fund***

This fund receives donations from the Westerville Library Foundation to implement an Imagination Library project through the Dollywood Foundation, to provide books to children.

***Library Services and Technology Act Grant Fund***

This fund accounts for grants provided through the Library Services and Technology Act program, funded through the independent federal agency Institute of Museum and Library Services.

***Vernon Literacy for New Immigrants Grant Fund***

This fund accounts for a grant from Vernon Library Supplies, Inc. for Literacy for New Immigrants. The funds will be used for Somali and Nepali computer classes for patrons.

**CAPITAL PROJECTS FUND**

Capital project funds are used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Following is a description of the Library's capital projects fund:

**Major Capital Project Fund**

***Building and Repair Fund***

The monies maintained in this fund are to be used for improving, repairing and expanding the existing Library facility.



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 4,013,709	\$ 4,155,072	\$ 4,155,072	\$ -
Intergovernmental . . . . .	3,333,259	3,450,655	3,450,657	2
Patron fines and fees . . . . .	108,476	110,149	112,297	2,148
Services provided to other entities . . . . .	86,660	89,700	89,712	12
Investment earnings . . . . .	98,428	95,067	101,895	6,828
Contributions, gifts and donations . . . . .	47,512	48,492	49,185	693
Other . . . . .	121,383	96,754	125,658	28,904
<b>Total revenues . . . . .</b>	<u>7,809,427</u>	<u>8,045,889</u>	<u>8,084,476</u>	<u>38,587</u>
<b>Expenditures:</b>				
Salaries and benefits				
Salaries and leave benefits . . . . .	3,256,000	3,270,000	3,245,072	24,928
Retirement benefits . . . . .	457,800	447,600	442,065	5,535
Insurance benefits . . . . .	641,465	631,465	626,629	4,836
Other employee benefits . . . . .	29,586	29,586	26,148	3,438
<b>Total salaries and benefits . . . . .</b>	<u>4,384,851</u>	<u>4,378,651</u>	<u>4,339,914</u>	<u>38,737</u>
Supplies				
General administrative supplies . . . . .	161,317	184,017	158,118	25,899
Property maintenance/repairs, supplies and parts . . . . .	27,930	27,930	26,290	1,640
Motor vehicle, fuel, supplies and parts . . . . .	2,388	2,388	1,981	407
Supplies purchased for resale . . . . .	45,067	45,066	42,669	2,397
<b>Total supplies . . . . .</b>	<u>236,702</u>	<u>259,401</u>	<u>229,058</u>	<u>30,343</u>
Purchased and contracted services				
Travel and meeting expenses . . . . .	61,372	61,372	57,750	3,622
Communication, publication and printing . . . . .	56,307	57,807	49,894	7,913
Property maintenance, repair and security . . . . .	769,426	831,426	766,036	65,390
Insurance . . . . .	31,500	31,500	29,660	1,840
Rents and lease . . . . .	231,659	231,659	79,868	151,791
Utilities . . . . .	218,895	218,895	209,025	9,870
Professional services . . . . .	432,158	400,657	365,607	35,050
Library material control . . . . .	58,419	59,919	59,111	808
Other contracts and professional services . . . . .	3,000	3,000	2,481	519
<b>Total purchased and contracted services . . . . .</b>	<u>1,862,736</u>	<u>1,896,235</u>	<u>1,619,432</u>	<u>276,803</u>
Library materials and information				
Books . . . . .	481,996	516,996	480,840	36,156
Periodicals/software/internet services . . . . .	283,354	293,354	263,079	30,275
Audiovisual materials . . . . .	459,135	459,135	443,775	15,360
Inter-library loan fees/charges . . . . .	10,317	10,317	5,160	5,157
Other library materials . . . . .	20,459	20,459	20,457	2
<b>Total library materials and information . . . . .</b>	<u>1,255,261</u>	<u>1,300,261</u>	<u>1,213,311</u>	<u>86,950</u>

---Continued

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND - (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Capital outlay				
Building improvements . . . . .	\$ 159,364	\$ 159,365	\$ 129,684	\$ 29,681
Furniture and equipment. . . . .	338,701	338,701	324,751	13,950
Total capital outlay. . . . .	<u>498,065</u>	<u>498,066</u>	<u>454,435</u>	<u>43,631</u>
Other expenses				
Dues and memberships . . . . .	13,980	13,980	13,738	242
Taxes and assessments . . . . .	6,312	6,313	5,550	763
County auditor and treasurer fees. . . . .	65,000	65,000	58,466	6,534
Refunds and reimbursements . . . . .	2,610	2,610	2,588	22
Total other expenses. . . . .	<u>87,902</u>	<u>87,903</u>	<u>80,342</u>	<u>7,561</u>
Total expenditures . . . . .	<u>8,325,517</u>	<u>8,420,517</u>	<u>7,936,492</u>	<u>484,025</u>
Net change in fund balance . . . . .	(516,090)	(374,628)	147,984	522,612
<b>Fund balance at beginning of year . . . . .</b>	1,822,375	1,822,375	1,822,375	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>522,917</u>	<u>522,917</u>	<u>522,917</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,829,202</u>	<u>\$ 1,970,664</u>	<u>\$ 2,493,276</u>	<u>\$ 522,612</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2018*

	<b>Imagination Library Fund</b>	<b>Library Services and Technology Act Grant Fund</b>	<b>Vernon Literacy for New Immigrants Grant Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>				
Equity in pooled cash and investments. . . .	\$ 1,019	\$ 4,119	\$ 840	\$ 5,978
Total assets. . . . .	<u>\$ 1,019</u>	<u>\$ 4,119</u>	<u>\$ 840</u>	<u>\$ 5,978</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ 1,302	\$ -	\$ 1,302
Total liabilities. . . . .	<u>-</u>	<u>1,302</u>	<u>-</u>	<u>1,302</u>
<b>Fund balances:</b>				
Restricted for:				
Public services and programs . . . . .	1,019	2,817	840	4,676
Total fund balances. . . . .	<u>\$ 1,019</u>	<u>\$ 2,817</u>	<u>\$ 840</u>	<u>\$ 4,676</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<b>Imagination Library Fund</b>	<b>Library Services and Technology Act Grant Fund</b>	<b>Vernon Literacy for New Immigrants Grant Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 4,848	\$ -	\$ 4,848
Contributions, gifts and donations . . . . .	51,500	-	1,000	52,500
<b>Total revenues . . . . .</b>	<b>51,500</b>	<b>4,848</b>	<b>1,000</b>	<b>57,348</b>
<b>Expenditures:</b>				
Current:				
Library services:				
Public services and programs. . . . .	51,415	729	-	52,144
Collection development and processing . . . . .	-	374	160	534
Capital outlay . . . . .	-	1,302	-	1,302
<b>Total expenditures . . . . .</b>	<b>51,415</b>	<b>2,405</b>	<b>160</b>	<b>53,980</b>
Net change in fund balances . . . . .	85	2,443	840	3,368
<b>Fund balances at beginning of year. . . . .</b>	<b>934</b>	<b>374</b>	<b>-</b>	<b>1,308</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 1,019</b>	<b>\$ 2,817</b>	<b>\$ 840</b>	<b>\$ 4,676</b>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**IMAGINATION LIBRARY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Contributions, gifts and donations . . . . .	\$ 54,000	\$ 51,500	\$ 51,500	\$ -
Total revenues . . . . .	<u>54,000</u>	<u>51,500</u>	<u>51,500</u>	<u>-</u>
<b>Expenditures:</b>				
Library materials and information				
Books . . . . .	54,000	52,000	51,415	585
Total expenditures . . . . .	<u>54,000</u>	<u>52,000</u>	<u>51,415</u>	<u>585</u>
Net change in fund balance . . . . .	-	(500)	85	585
<b>Fund balance at beginning of year . . . . .</b>	<u>934</u>	<u>934</u>	<u>934</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 934</u></u>	<u><u>\$ 434</u></u>	<u><u>\$ 1,019</u></u>	<u><u>\$ 585</u></u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
LIBRARY SERVICES AND TECHNOLOGY ACT GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 4,848	\$ 4,848	\$ -
Total revenues . . . . .	-	4,848	4,848	-
<b>Expenditures:</b>				
Supplies				
Program supplies . . . . .	-	2,046	1,968	78
Purchased and contracted services				
Professional services . . . . .	-	374	374	-
Capital outlay				
Furniture and equipment . . . . .	-	2,802	2,802	-
Total expenditures . . . . .	-	5,222	5,144	78
Net change in fund balance . . . . .	-	(374)	(296)	78
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated. . . . .</b>	374	374	374	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 374</u>	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 78</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
VERNON LITERACY FOR NEW IMMIGRANTS GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Contributions, gifts and donations . . . . .	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Total revenues . . . . .	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<b>Expenditures:</b>				
Purchased and contracted services				
Professional services . . . . .	1,000	1,000	160	840
Total expenditures . . . . .	<u>1,000</u>	<u>1,000</u>	<u>160</u>	<u>840</u>
Net change in fund balance . . . . .	-	-	840	840
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 840</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**BUILDING AND REPAIR FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 15,000	\$ 15,000	\$ -
Total revenues . . . . .	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>Expenditures:</b>				
Capital outlay				
Other capital outlay . . . . .	2,111,343	2,461,343	110,301	2,351,042
Total expenditures . . . . .	<u>2,111,343</u>	<u>2,461,343</u>	<u>110,301</u>	<u>2,351,042</u>
Net change in fund balance . . . . .	(2,111,343)	(2,446,343)	(95,301)	2,351,042
<b>Fund balance at beginning of year . . . . .</b>	<u>2,461,343</u>	<u>2,461,343</u>	<u>2,461,343</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 350,000</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ 2,366,042</u></u>	<u><u>\$ 2,351,042</u></u>



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*INDIVIDUAL FUND SCHEDULE  
FUND DESCRIPTION - FIDUCIARY FUND*

Fiduciary funds are used to account for assets held by the Library in a trustee capacity, or as an agent for individuals, private organizations, other governments and/or funds. The following is the Library's fiduciary fund type:

**Agency Fund**

Agency funds maintain assets held by the Library as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results. The following is the Library's agency fund.

***Flexible Spending Account Fund***

To account for flexible spending accounts for employees.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018*

<b>Flexible Spending Account</b>	<b>Beginning Balance 1/1/2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2018</b>
<b>Assets:</b>				
Equity in pooled cash and investments. . . .	\$ 2,754	\$ 8,684	\$ 7,913	\$ 3,525
Receivables:				
Accounts . . . . .	-	11	-	11
Total assets. . . . .	<u>\$ 2,754</u>	<u>\$ 8,695</u>	<u>\$ 7,913</u>	<u>\$ 3,536</u>
<b>Liabilities:</b>				
Funds held and due to others. . . . .	\$ 2,754	\$ 8,695	\$ 7,913	\$ 3,536
Total liabilities . . . . .	<u>\$ 2,754</u>	<u>\$ 8,695</u>	<u>\$ 7,913</u>	<u>\$ 3,536</u>

# **STATISTICAL SECTION**



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*STATISTICAL SECTION*

This part of the Westerville School District Library's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Library's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	<b>78</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Library's most significant local revenue sources, the income tax and property tax.	<b>82</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	<b>89</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Library's financial activities take place.	<b>91</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Library's financial report relates to the services the Library provides and the activities it performs.	<b>93</b>

**TABLE 1**

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*NET POSITION BY COMPONENT  
LAST THREE YEARS  
(ACCRUAL BASIS OF ACCOUNTING)*

	<b>Year Ended</b>		
	<b>2016</b>	<b>2017 (A)</b>	<b>2018</b>
<b>Governmental activities</b>			
Net investment in capital assets . . . . .	\$ 3,602,307	\$ 3,572,486	\$ 3,574,813
Restricted . . . . .	7,651	1,308	4,676
Unrestricted . . . . .	3,086,353	837,875	1,028,048
Total governmental activities net position .	<u>\$ 6,696,311</u>	<u>\$ 4,411,669</u>	<u>\$ 4,607,537</u>

Source: Westerville School District Library financial statements.

Note: 2017 was the first year the Library presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(A) 2017 net position was restated for the implementation of GASB Statement No. 75.

TABLE 2

WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO

CHANGES IN NET POSITION  
LAST TWO YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Year Ended	
	2017	2018
<b>Expenses</b>		
Library services:		
Public services and programs . . . . .	\$ 5,712,504	\$ 5,786,455
Collection development and processing . . . . .	244,102	321,425
Support services:		
Facilities operation and maintenance . . . . .	861,953	875,696
Information services . . . . .	55,125	67,270
Business administration . . . . .	1,014,259	981,434
Interest and fiscal charges . . . . .	6,733	3,297
Total expenses . . . . .	<u>7,894,676</u>	<u>8,035,577</u>
<b>Program Revenues</b>		
Charges for services and sales		
Library services:		
Public services and programs . . . . .	240,026	200,379
Information services . . . . .	889	1,580
Operating grants and contributions		
Library services:		
Public services and programs . . . . .	89,033	90,760
Collection development and processing . . . . .	2,734	2,644
Capital grants and contributions		
Library services:		
Public services and programs . . . . .	-	15,000
Total program revenues . . . . .	<u>332,682</u>	<u>310,363</u>
Net (expense)/revenue . . . . .	<u>(7,561,994)</u>	<u>(7,725,214)</u>
<b>General Revenues:</b>		
Property taxes . . . . .	4,096,002	4,167,936
Intergovernmental . . . . .	3,239,407	3,529,740
Unrestricted gifts and donations . . . . .	8,136	3,166
Investment earnings . . . . .	49,413	95,038
Miscellaneous . . . . .	89,211	125,202
Total general revenues . . . . .	<u>7,482,169</u>	<u>7,921,082</u>
<b>Change in net position . . . . .</b>	<u>\$ (79,825)</u>	<u>\$ 195,868</u>

Source: Westerville School District Library financial statements.

Note: 2017 was the first year the Library presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TABLE 3**

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*FUND BALANCES, GOVERNMENTAL FUNDS  
LAST THREE YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<b>Year Ended</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Fund			
Nonspendable . . . . .	\$ 344,330	\$ 319,447	\$ 263,961
Assigned . . . . .	254,270	460,655	491,893
Unassigned . . . . .	1,552,815	1,870,502	2,579,809
Total general fund . . . . .	<u>\$ 2,151,415</u>	<u>\$ 2,650,604</u>	<u>\$ 3,335,663</u>
All Other Governmental Funds			
Restricted . . . . .	7,651	1,308	4,676
Assigned . . . . .	2,111,343	2,461,343	2,420,133
Total all other governmental funds . . . . .	<u>\$ 2,118,994</u>	<u>\$ 2,462,651</u>	<u>\$ 2,424,809</u>

Source: Westerville School District Library financial statements.

Note: 2017 was the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



TABLE 4

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*GOVERNMENTAL FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION  
LAST TWO YEARS*

	Year Ended	
	2017	2018
<b>Revenues:</b>		
Property taxes . . . . .	\$ 4,132,232	\$ 4,155,072
Intergovernmental . . . . .	3,337,765	3,474,012
Patron fines and fees . . . . .	167,003	112,247
Services provided to other entities . . . . .	73,912	89,712
Contributions, gifts and donations . . . . .	90,444	103,185
Earnings on investments . . . . .	41,417	99,144
Miscellaneous . . . . .	89,380	181,274
Total revenues . . . . .	7,932,153	8,214,646
<b>Expenditures</b>		
Current:		
Library services:		
Public services and programs . . . . .	4,808,619	4,994,969
Collection development and processing . . . . .	241,502	316,461
Support services:		
Facilities operation and maintenance . . . . .	849,503	900,653
Information services . . . . .	46,958	47,357
Business administration . . . . .	847,721	867,386
Capital outlay . . . . .	237,002	388,078
Debt service:		
Principal retirement . . . . .	95,542	49,228
Interest and fiscal charges . . . . .	6,733	3,297
Total expenditures . . . . .	7,133,580	7,567,429
Excess of revenues over expenditures . . . . .	798,573	647,217
<b>Other financing sources (uses)</b>		
Capital lease transaction . . . . .	44,273	-
Transfers in . . . . .	350,000	-
Transfers (out) . . . . .	(350,000)	-
Total other financing sources (uses) . . . . .	44,273	-
Net change in fund balances . . . . .	\$ 842,846	\$ 647,217
Capital expenditures . . . . .	171,231	282,342
Debt service as a percentage of noncapital expenditures . . . . .	1.47%	0.72%

Source: Westerville School District Library financial statements.

Note: 2017 was the first year the Library presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TABLE 5

WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS

Year	Real Property		Public Utility Property	
	Estimated Actual Value (a)	Assessed Value	Estimated Actual Value (b)	Assessed Value
2009	\$ 6,910,827,086	\$ 2,418,789,480	\$ 108,790,143	\$ 38,076,550
2010	6,952,743,600	2,433,460,260	111,615,800	39,065,530
2011	6,917,149,400	2,421,002,290	128,209,257	44,873,240
2012	6,462,339,229	2,261,818,730	104,746,743	36,661,360
2013	6,467,761,429	2,263,716,500	104,928,029	36,724,810
2014	6,481,877,514	2,268,657,130	104,276,057	36,496,620
2015	6,521,468,800	2,282,514,080	107,047,571	37,466,650
2016	6,525,847,200	2,284,046,520	110,884,486	38,809,570
2017	6,555,457,314	2,294,410,060	137,731,714	48,206,100
2018	7,329,595,229	2,565,358,330	167,039,343	58,463,770

Source: Franklin County Auditor

Notes:

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (b) Assumes public utilities are assessed at true value which is 35%.
- (c) General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. House Bill 66 phased out general business tangible personal property tax beginning in 2006-2008. Additionally, telephone property was reclassified to general business and assessed at 10% for 2009, 5% for 2010 and eliminated in 2011.
- (d) Tax rates are per \$1,000 of assessed value.

<b>Tangible Personal Property</b>		<b>Total</b>		<b>Total Direct Tax Rate (d)</b>	<b>Assessed Value as a Percentage of Actual Value</b>
<b>Estimated Actual Value (c)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>		
\$ 40,648,120	\$ 4,064,812	\$ 7,060,265,349	\$ 2,460,930,842	0.80	34.86%
42,294,120	2,114,706	7,106,653,520	2,474,640,496	0.80	34.82%
-	-	7,045,358,657	2,465,875,530	0.80	35.00%
-	-	6,567,085,972	2,298,480,090	2.00	35.00%
-	-	6,572,689,458	2,300,441,310	2.00	35.00%
-	-	6,586,153,571	2,305,153,750	2.00	35.00%
-	-	6,628,516,371	2,319,980,730	2.00	35.00%
-	-	6,636,731,686	2,322,856,090	2.00	35.00%
-	-	6,693,189,028	2,342,616,160	2.00	35.00%
-	-	7,496,634,572	2,623,822,100	2.00	35.00%

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TABLE 6

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS*

<b>Collection Year</b>	<b>Current Tax Levy</b>	<b>Current Tax Collections (a)</b>	<b>Percent of Current Tax Collections to Current Levy</b>	<b>Delinquent Tax Collections (b)</b>	<b>Total Collections</b>	<b>Percent of Total Tax Collections to Current Tax Levy</b>
2009	\$ 1,271,151	\$ 1,217,878	95.81%	\$ 40,554	\$ 1,258,433	99.00%
2010	1,273,283	1,231,283	96.70%	35,871	1,267,154	99.52%
2011	1,277,292	1,211,067	94.82%	30,526	1,241,594	97.21%
2012	2,973,564	2,827,895	95.10%	93,320	2,921,214	98.24%
2013	2,962,765	2,814,533	95.00%	96,910	2,911,443	98.27%
2014	2,952,692	2,797,387	94.74%	78,848	2,876,235	97.41%
2015	2,919,521	2,788,937	95.53%	69,860	2,858,797	97.92%
2016	2,889,419	2,813,522	97.37%	70,401	2,883,923	99.81%
2017	2,915,005	2,873,197	98.57%	66,381	2,939,578	100.84%
2018	2,984,653	2,903,927	97.30%	47,031	2,950,958	98.87%

Source: Franklin County Auditor

Notes:

- (a) Includes Homestead/Rollback exemptions assessed locally, but distributed through the State and reported as intergovernmental revenue.
- (b) The Franklin County Auditor's Office confirmed the Percent of Total Tax Collections to Current Tax Levy column includes percentages in excess of 100% due to timing issues with the collection of property taxes. The Franklin County Auditor's Office is unable to track delinquent taxes collected by year levied. Therefore, the Library has elected to show delinquent taxes by collection year. This presentation will be updated as new information becomes available.

TABLE 7

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)  
LAST TEN YEARS*

<b>Collection Year</b>	<b>Westerville School District Library</b>	<b>Westerville City School District</b>	<b>Franklin County</b>	<b>Delaware County</b>	<b>City of Westerville</b>	<b>City of Columbus</b>	<b>Blendon Township</b>
2009	0.80	73.00	18.02	5.85	17.70	3.14	26.56
2010	0.80	73.00	18.07	6.64	17.70	3.14	26.56
2011	0.80	72.95	18.07	6.65	20.30	3.14	29.10
2012	2.00	73.20	18.07	6.65	20.30	3.14	29.10
2013	2.00	80.10	18.47	6.65	20.30	3.14	30.65
2014	2.00	80.05	18.47	7.51	20.30	3.14	30.65
2015	2.00	80.60	18.47	7.51	20.30	3.14	32.51
2016	2.00	80.50	18.47	6.75	20.30	3.14	32.51
2017	2.00	80.35	18.47	7.48	23.10	3.14	37.11
2018	2.00	79.20	18.92	7.09	23.06	3.14	37.20

Source: Franklin County Auditor

Notes:

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in Table 5, generated the property tax revenue for that year.

Ohio Revised Code Sections 5705.02 and 5705.07 requires any millage exceeding the "unvoted" or "inside" millage can only be done by a vote of the people.

<b>Genoa Township</b>	<b>Plain Township</b>	<b>Sharon Township</b>	<b>Minerva Park Corp.</b>	<b>Westerville Corp. (Genoa)</b>
9.40	15.35	23.50	15.95	17.70
9.40	15.35	23.50	15.95	17.70
11.30	15.35	23.50	16.05	20.30
11.30	15.35	23.50	16.05	20.30
11.30	15.35	23.50	16.05	20.30
11.30	15.35	23.50	15.85	20.30
11.70	15.35	23.50	15.70	20.30
13.30	15.25	23.50	15.10	20.30
13.30	15.25	23.50	15.10	23.10
13.30	15.25	27.50	15.10	23.06

TABLE 8

WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO

REAL PROPERTY PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

<u>Name of Taxpayer</u>	<u>December 31, 2018</u>	
	<u>Assessed Valuation</u>	<u>Percent of Total</u>
Ohio Power Company	\$ 27,621,860	1.08%
Chestnut Hill Apartments Ltd	10,701,620	0.42%
Banc One Management Corp.	9,306,200	0.36%
CRI Easton Square LLC	8,699,890	0.34%
Turtle Station OH Partners LLC	8,549,670	0.33%
Columbus Metropolitan Housing	8,298,930	0.32%
NRI Booksedge LLC	7,641,960	0.30%
Hickory Creek Gardens LLC	6,860,010	0.27%
Columbia Gas of Ohio, Inc.	6,782,410	0.26%
St. Ann's Hospital of Columbus, Inc.	6,074,960	0.24%
Total	<u>\$ 100,537,510</u>	<u>3.92%</u>
Total Assessed Valuation	<u>\$ 2,565,358,330</u>	

<u>Name of Taxpayer</u>	<u>December 31, 2009</u>	
	<u>Assessed Valuation</u>	<u>Percent of Total</u>
Columbus Southern Power Co.	\$ 21,776,100	0.90%
Banc One Management Corp.	13,955,000	0.58%
NRI Booksedge LLC	9,857,150	0.41%
Chestnut Hill Apartments	9,453,020	0.39%
Remington Station	7,901,280	0.33%
Eastrich no 167 Corp.	7,700,010	0.32%
St. Ann's Hospital	7,005,740	0.29%
CRI Easton Square LLC	5,515,020	0.23%
G & I VI Hickory Creek LLC	5,355,000	0.22%
Mackenzies Hotel	5,106,120	0.21%
Total	<u>\$ 93,624,440</u>	<u>3.87%</u>
Total Assessed Valuation	<u>\$ 2,418,789,480</u>	

Source: Franklin County Auditor



**TABLE 9**

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2018*

<u>Jurisdiction</u>	<u>Governmental Activities Debt</u>	<u>Percentage Overlapping</u>	<u>Applicable to the Library</u>
Direct:			
Westerville School District Library	<u>\$ 43,647</u>	100.00%	<u>\$ 43,647</u>
Overlapping Debt:			
Westerville City School District	50,845,000	100.00%	50,845,000
Delaware County	45,170,500	12.38%	5,592,108
Franklin County	195,735,000	5.49%	10,745,852
City of Columbus	1,659,040,000	3.56%	59,061,824
City of Westerville	2,030,000	97.33%	1,975,799
New Albany Plain Local Park District Miscellaneous	3,604,476	0.84%	30,278
Solid Waste Authority of Central Ohio Miscellaneous	<u>48,140,000</u>	6.24%	<u>3,003,936</u>
Total Overlapping Debt	<u>2,004,564,976</u>		<u>131,254,797</u>
Total Direct and Overlapping Debt	<u>\$ 2,004,608,623</u>		<u>\$ 131,298,444</u>

Source: Ohio Municipal Advisory Council

Note: The percentage of debt outstanding applicable to the Library was determined by dividing each jurisdiction's assessed valuation within the Library by the jurisdiction's total assessed valuation.

**TABLE 10**

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*RATIOS OF OUTSTANDING DEBT BY TYPE -  
GOVERNMENTAL ACTIVITIES  
LAST THREE YEARS*

<b>Year</b>	<b>Capital Leases (a)</b>	<b>Total Personal Income (b)</b>	<b>Percentage of Personal Income</b>	<b>Population (b)</b>	<b>Per Capita</b>
2016	\$ 144,144	\$ 3,603,904,590	0.0040%	94,390	\$ 1.53
2017	92,875	3,682,886,363	0.0025%	96,001	0.97
2018	43,647	3,737,636,357	0.0012%	96,383	0.45

Sources:

- (a) See the notes to the financial statements regarding the City's debt information.
- (b) See Table 11 Demographic and Economic Statistics - Last Ten Years for personal income and population.

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TABLE 11

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS*

<u>Year</u>	<u>Population (a)</u>	<u>Total Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rates (d)</u>		
				<u>Franklin County</u>	<u>Ohio</u>	<u>United States</u>
2009	80,536	\$2,845,175,808	\$ 35,328	8.9%	10.7%	9.3%
2010	80,702	2,851,040,256	35,328	8.6%	9.5%	9.4%
2011	92,789	3,238,243,311	34,899	7.6%	8.1%	8.3%
2012	92,959	3,336,019,633	35,887	5.3%	6.6%	7.6%
2013	93,378	3,468,339,054	37,143	5.3%	3.6%	7.6%
2014	93,600	3,449,815,200	36,857	4.8%	4.8%	5.6%
2015	93,829	3,512,113,299	37,431	4.1%	4.7%	5.0%
2016	94,390	3,603,904,590	38,181	4.0%	4.9%	4.9%
2017	96,001	3,682,886,363	38,363	4.0%	5.0%	4.4%
2018	96,383	3,737,636,357	38,779	4.0%	4.8%	3.7%

## Sources:

(a) Population published by the Mid-Ohio Regional Planning Commission

(b) Per capita income multiplied by population (in thousands)

(c) U.S. Census Bureau

(d) State of Ohio's CAFR, the Bureau of Labor Statistics and Ohio Labor Market Information

TABLE 12

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO*

	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
J.P. Morgan Chase Bank NA	5,619	1	7.8%	4,511	1	8.4%
Mount Carmel Health Systems	3,553	2	4.9%	2,190	2	4.1%
Otterbein University	1,824	3	2.5%	1,895	4	3.5%
Westerville City Schools	1,750	4	2.4%	2,196	3	4.1%
Alliance Data Systems, Inc.	1,423	5	2.0%	1,077	6	2.0%
Ohio Health	1,111	6	1.5%	-	-	-
Franklin Co. Education Service	985	7	1.4%	-	-	-
City of Westerville	897	8	1.2%	847	7	1.6%
Central Ohio Primary Care Physicians	790	9	1.1%	-	-	-
Exel Inc.	698	10	1.0%	-	-	-
CMS Subsidiary	-	-	-	1,389	5	2.6%
Heartland Employment	-	-	-	747	8	1.4%
Inchord Communications/Gerbig	-	-	-	720	9	1.3%
1-800 Flowers (Cheryl's Cookies)	-	-	-	685	10	1.3%
Total Employees	18,650		26.0%	16,257		30.3%
All Other Employers	53,169		74.0%	37,327		69.7%
Total Employment within the City	71,819		100.0%	53,584		100.0%

Source: City of Westerville Income Tax Department

**TABLE 13**

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*FULL-TIME EQUIVALENT LIBRARY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST FOUR YEARS*

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Library Services:				
Public services and programs	54.0	53.6	54.0	53.6
Collection development and processing	7.5	8.5	8.5	8.5
Support Services:				
Facilities operations and maintenance	4.0	4.5	5.0	5.0
Information services	4.5	3.0	3.5	3.5
Business administration	10.0	8.6	8.6	9.5
Total Number of Employees	<u>80.0</u>	<u>78.2</u>	<u>79.6</u>	<u>80.1</u>

Source: Westerville School District Library Records

Note: This schedule is intended to show information for 10 years. Data prior to 2015 is not available. Additional years will be displayed as the information becomes available.

TABLE 14

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS*

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Library Services:						
Public services and programs						
Number of materials circulated	2,199,919	2,034,712	1,965,438	2,269,798	2,117,367	2,102,171
Number of registered borrowers	94,450	102,264	98,350	99,962	111,154	118,720
Collection development and processing						
Number of materials owned	322,577	310,555	294,863	305,564	313,533	306,036
Support Services:						
Facilities operations and maintenance						
Square footage of facility maintained	102,300	102,300	102,300	102,300	102,300	102,300
Information Services Support						
Number of computers	202	202	212	102	120	120
Number of website visits	1,190,000	1,103,139	2,022,765	1,911,511	2,043,472	1,875,984

Source: Westerville School District Library Records

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
2,045,537	1,912,130	1,707,835	1,841,878
120,823	130,579	140,583	120,115
390,578	409,221	390,773	446,685
102,300	102,300	102,300	102,300
120	120	150	130
1,858,157	1,764,944	2,270,920	2,479,569

TABLE 15

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY, OHIO**

*CAPITAL ASSET STATISTICS BY FUNCTION  
LAST THREE YEARS*

<b>Function</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Library services:			
Public services and programs			
Land	\$ 70,603	\$ 70,603	\$ 70,603
Land improvements	10,998	5,168	2,584
Buildings	2,982,532	2,819,235	2,697,373
Fixtures and equipment	643,876	573,108	636,889
Vehicles	27,318	22,234	17,150
Collection development and processing			
Fixtures and equipment	808	540	269
Support services:			
Facilities operations and maintenance			
Fixtures and equipment	3,854	86,136	108,158
Information services support			
Fixtures and equipment	3,827	25,093	63,388
Business administration			
Fixtures and equipment	2,635	1,063	-
<b>Total Governmental Activities</b>	<b><u>\$ 3,746,451</u></b>	<b><u>\$ 3,603,180</u></b>	<b><u>\$ 3,596,414</u></b>

Source: Westerville School District Library Records

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as information becomes available.



OHIO AUDITOR OF STATE  
**KEITH FABER**



**WESTERVILLE SCHOOL DISTRICT LIBRARY**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 9, 2019**